

**REPORT**

**For**

**PROPOSED AMENDMENT**

**CABLE TELEVISION LICENSE**

**Between**

**SHREWSBURY ELECTRIC and CABLE OPERATIONS**

**And**

**TOWN OF SHREWSBURY**

Report as Required by  
DTE Cable Division  
207 CMR 3.07(2)

By: Issuing Authority and  
Shrewsbury Electric and Cable  
Operations

August 11, 2005

**REPORT**  
**PROPOSED AMENDMENT**

**INTRODUCTION**

This report, on file with the Town Clerk, Town of Shrewsbury, Shrewsbury, Massachusetts, is in accordance with provision Commonwealth of Massachusetts, Department of Telecommunications and Energy, Cable Television Division Regulation 207, CMR 3.07(2)

Date of Amendment Request: July 20, 2005

Issuing Authority: Board of Selectmen, Town of Shrewsbury

Licensee: Shrewsbury Electric and Cable Operations (SELCO)  
100 Maple Avenue  
Shrewsbury, Massachusetts 01545

Proposed Amendment: The proposed amendment is to the existing License, dated March 10, 2003.

Public Comment: The Public Comment period begins August 26, 2005 and ends September 16, 2005.

The Board of Selectmen, Issuing Authority for the Cable License and amendments thereof and Shrewsbury Electric and Cable Operations (SELCO) invite public comment on the proposed Amendment to the Cable License.

Forward Comments and Questions to:

Board of Selectmen – Town of Shrewsbury  
100 Maple Avenue  
Shrewsbury, Massachusetts 01545  
Email: [selectmen@th.ci.shrewsbury.ma.us](mailto:selectmen@th.ci.shrewsbury.ma.us)

or

Thomas R. Josie, General Manager  
Shrewsbury Electric and Cable Operations (SELCO)  
100 Maple Avenue  
Shrewsbury, Massachusetts 01545  
Email: [tjosie@ci.shrewsbury.ma.us](mailto:tjosie@ci.shrewsbury.ma.us)

Public comments are due by September 16, 2005.

## **PROPOSED AMENDMENT**

The Amendment will be added to Article 2, *Grant of License Renewal*, new section,

### ***2.9 Equivalency of Licenses.***

***The Issuing Authority shall not grant additional cable licenses or franchise agreements for the construction, operation or maintenance of a cable system or for the provision of cable or video services on terms, conditions or other provisions more favorable or less burdensome than those contained herein.***

## **DISCUSSION**

### **Licensee's Comments**

The request for this Amendment is from SELCO, the Licensee.

With the advent of technological advances and new services that produce additional revenue, including Internet and Video On Demand service, there are new entrants in the CATV industry. These new players in the video market have constructed and operate CATV systems, in direct competition with incumbent cable operators.

Such construction activity has begun in some central Massachusetts communities. It has been reported that systems being built will initially provide Internet service then at some future time, will be used to provide video services. It is contemplated the new market entrants will attempt to secure CATV licenses with the individual towns.

CATV license agreements are non-exclusive therefore any city or town may grant more than one license to provide competitive video service to the town.

The proposed amendment would require that, in the event the Issuing Authority is approached and chooses to grant another license to operate a CATV system, both licenses be virtually identical.

Why is this important? In most cases, the license requires the operators to do certain things including, but not limited to, provide certain types of services, meet reliability levels, customer service standards, install an Institutional Network, fund PEG access, make payments to the town, and wire 100% of the town. All of these requirements have a cost for the cable operator. It is only fair that any and all cable operators, operating in the same town, operate by the same set of rules. If not, one of the cable operators would have an unfair economic advantage over the other with potential financial implications.

SELCO, by virtue of municipal ownership, provides significantly more financial and other benefits to the Town of Shrewsbury than a private cable operator would provide. Federal law limits what an Issuing Authority can demand from a cable operator. SELCO's contribution exceeds those limits. By virtue of the proposed amendment requiring virtual identical agreements, it would prompt dialog between SELCO and the Issuing Authority to ensure a level playing field.

### **Issuing Authority's Comments**

The Issuing Authority recognizes its obligation to treat all cable licensees equally. The proposed amendment simply documents reasonable practices and policies relating to issuing CATV license agreements.

### **IMPACT ON CUSTOMERS AND THE TOWN**

There will be no negative impact on rates, services, contribution or relationship to the customer or the Town from SELCO's perspective.

In the event that the Town is approached by an entity requesting a license to operate a CATV system in the Town and the Town chooses to issue a second franchise then there may be a need for discussions between SELCO and the Issuing Authority if a franchise amendment is required. Although it is not possible, at this time, to predict the nature of the discussions it would likely focus on the issue of comparability of the license agreements.

Nothing in this amendment in anyway affects SELCO's goal and commitment to provide the best possible service, competitive rates and provide the highest financial return of SELCO's system to the Town of Shrewsbury.

The Issuing Authority does not envision any impact on customers or the Town for the proposed amendment.

**RECOMMENDATION:** SELCO recommends the Issuing Authority approve the Amendment.

The Issuing Authority will consider then make a decision on the Proposed Amendment following the prescribed comment period.